DOCUMENT RESUME

ED 450 984 RC 022 827

AUTHOR	Schofer, Daniel P.; Holmes, Glyen; Richardson, Vonda; Connerly, Charles
TITLE	Innovative Marketing Opportunities for Small Farmers: Local Schools as Customers.
INSTITUTION	Department of Agriculture, Washington, DC.
PUB DATE	2000-02-00
NOTE	54p.; Photographs may not reproduce adequately.
AVAILABLE FROM	Full text at Web site: http://www.ams.usda.gov/directmarketing/publications.htm.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	*Ancillary School Services; Black Businesses; Cooperatives; Elementary Secondary Education; *Farmers; Food Service; Lunch Programs; *Marketing; *Rural Development; Rural Farm Residents; Rural Schools; School Business Relationship; Small Businesses
IDENTIFIERS	Florida; *Small Farms

ABSTRACT

A group of limited-resource small farmers in northern Florida's Jackson County, the USDA, the West Florida Resource Conservation and Development Council, Florida A&M University, and the Federation of Southern Cooperatives organized the New North Florida Cooperative to increase farm income by introducing improved methods of marketing value-added agricultural products while encouraging innovative farming techniques. The cooperative recognized a considerable opportunity in serving local school districts with fresh agricultural products, and focused its marketing efforts in that area. This report describes how the cooperative overcame initial difficulties, including lack of organization, economic difficulties, social attitudes, existing customer preferences, and lack of equipment. The cooperative formed a management team as its governing body that addressed problems and handled daily business activities in a unified, methodical way; acquired capital and purchased necessary startup equipment, such as a refrigerated trailer, cutting machines, and wash sinks; and developed a good working relationship with the food service director for the Gadsden County School District by providing high-quality produce, prompt deliveries, fair prices, and courteous professionalism. The cooperative's main product was fresh-cut leafy greens, but watermelons, strawberries, blackberries, and grapes were also sold. The cooperative established a reputation as a reliable vendor and expanded to school districts in three other counties. Appendices present school menus, an order form, and a delivery schedule. (Contains 28 references.) (TD)

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USDA

United States Department of Agriculture

Agricultural Marketing Service

February 2000

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Innovative Marketing Opportunities for Small Farmers: Local Schools as Customers

by

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February 2000

RC 022827

This research was conducted under a cooperative agreement titled *Opportunities for Limited-Resource Producers to Supply a School Lunch Program in Florida with Local Agricultural Products—A Pilot Project*, administered by the U.S. Department of Agriculture, Agricultural Marketing Service, Transportation and Marketing Programs, Marketing and Transportation Analysis.

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Acknowledgments

The authors are indebted to many professionals for their assistance and efforts in this 2-year pilot project.

The success of the New North Florida Cooperative was made possible by the interest and participation of J'Amy Petersen, Food Service Director of the Gadsden County School District. She recognized the importance of fresh, healthful vegetables and fruit in children's school meals as well as supported an innovative cooperative of local, small farmers. Linda Wright, Food Service Director of the Jackson County School District, is also recognized for her interest in and purchases from the Cooperative.

Linda Stanhope of the Defense Subsistence Office, Jacksonville, assisted the Cooperative to become a certified vendor. She was also instrumental in assisting the Cooperative with its participation in the Direct Vendor Delivery program.

The West Florida Resource Conservation and Development Council, headed by Reid Powell, was the facilitating organization that enabled the Agricultural Marketing Service and the Natural Resources Conservation Service (NRCS) to work together in this effort. The Council's genuine concern for the community and its welfare was crucial to coordinating the pilot project and providing assistance to the newly formed cooperative of limited-resource producers.

The staff and faculty of the Small Farmer Outreach Training and Technical Assistance Project, Florida A&M University, including Sophia Glenn (outreach specialist), provided valuable information on crop production, record keeping, and cooperative organization.

Don Coker and Les Harrison of the Florida State Bureau of Farmers Markets provided the Cooperative with much-needed technical assistance. Through the Agriculture Venture Services Program, they provided lease incentives, assistance with equipment needs, and business plan development. Their strong interest and help are greatly appreciated.

Dorothy Staley, NRCS Public Affairs, contributed her photographic expertise to this report. The authors are indebted to her for the quality of her photos.

Joseph P. Anthony's (Agricultural Marketing Service, retired) initial investigation and efforts were essential in designing the pilot project. Jon Hall of the Rural Business-Cooperative Service provided important information that has substantially contributed to the project and the substance of this report. Many others contributed to various aspects of the pilot project. The authors appreciate their assistance.

Mention of specific equipment, manufacturer, or brand names does not constitute endorsement or imply preference by the U.S. Department of Agriculture. It is simply a reporting of what the Cooperative chose in the development of its business.

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Summary

Small farmers in the United States are declining in number and experiencing economic difficulty. Within that group, the number of African-American farmers has dramatically decreased since 1910, when 1 million African-American farmers owned 15 million acres of land. In 1998, fewer than 20,000 African-American farmers owned 2 million acres.

The U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) and Natural Resources Conservation Service (NRCS), the West Florida Resource Conservation and Development Council (WFRCDC), and the Small Farmer Outreach Training and Technical Assistance Project, Florida A&M University (FAMU) have worked together on this pilot project to create marketing opportunities for limited-resource growers. The cooperators used *A Time to Act*, the report produced by USDA's National Commission on Small Farms, as a guide. A group of small farmers in the Florida Panhandle organized into the New North Florida Cooperative and established a location in Marianna, FL, 70 miles west of Tallahassee. The Cooperative recognized a considerable opportunity in serving local school districts with fresh agricultural products. This pilot project has made substantial progress over the 1997/98 and 1998/99 school years.

The Cooperative overcame initial difficulties, including lack of organization, economic difficulties, social attitudes, existing customer preferences, and lack of equipment. Realizing that effective organization was critical, these limited-resource growers formed a management team as a governing body. The management team addressed problems and handled day-to-day business activities in a unified, methodical way. The Cooperative acquired capital and purchased necessary startup equipment, such as a refrigerated trailer, cutting machines, and wash sinks.

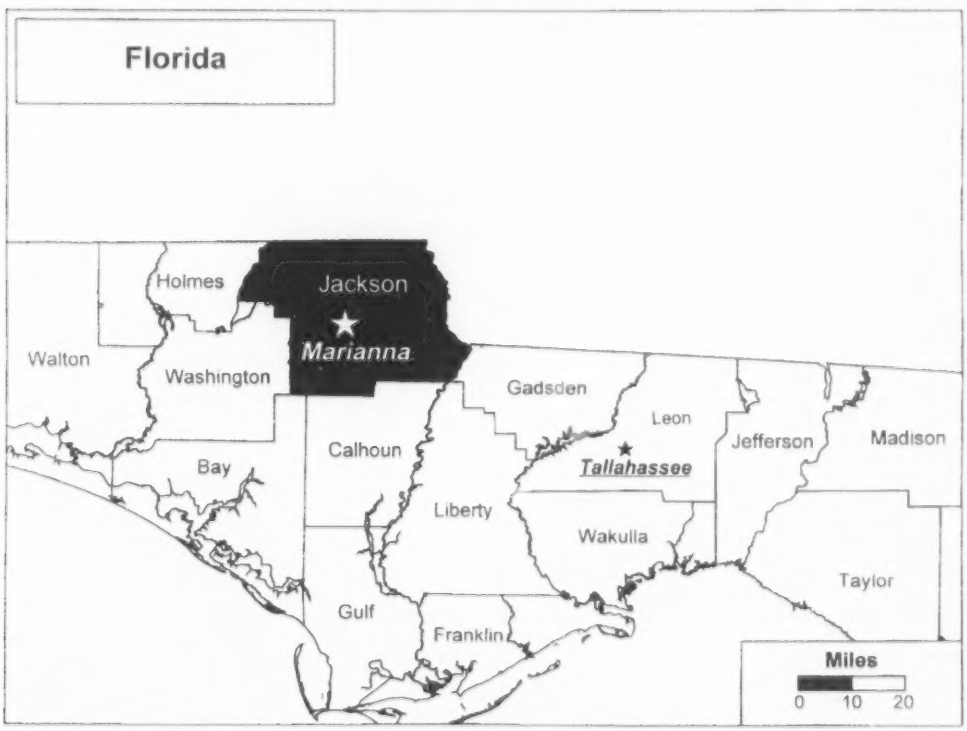
The Cooperative developed a good working relationship with the Food Service Director for the Gadsden County School District by providing high-quality produce, prompt deliveries, fair prices, and courteous professionalism. The vending experiences over the 1997/98 and 1998/99 school years were positive steps for the Cooperative in building a long-term, reputable business. The Cooperative's main product was fresh-cut, leafy greens, but watermelons, strawberries, blackberries, and muscadine grapes were also sold. Word-of-mouth advertising has portrayed the Cooperative as a reputable vendor and opened doors of opportunity in other school districts, including Jackson, Leon, and Walton Counties.

Introduction

Today, there are 300,000 fewer farmers than in 1979. Many small farm operators have either left the farm or been forced to find off-farm jobs to supplement their income. This group of small farmers contains many African-American farmers. The number of African-American farmers has dramatically declined since 1910, when 1 million African-American farmers owned 15 million acres of land. In 1998, fewer than 20,000 African-American farmers owned 2 million acres. A major concern of these farmers is the reduction and eventual elimination of Government intervention in commodity markets, including tobacco, cotton, and peanut commodity programs, as a means to provide income and price stability for the farming sector. Small farm operators are eager to find other income to offset the loss of these commodity subsidies.

Farmers are receiving less and less of every consumer dollar spent on food. In 1980, the farmer received 37 cents of every consumer dollar spent on food, compared to 23 cents in 1998. Part of the reason for this decline is that consumers are increasingly using processed, ready-to-eat products and meals. This trend has resulted in a shift of income and opportunities from the farms to the companies that process, package, and market agricultural products. This pilot project takes place in northern Florida, centered around Marianna (figure 2). The needs and hardships of the small farmer in northern Florida are fairly representative of those of farmers in the southeastern United States.

Figure 2. Northern Florida regional map.



Northern Florida is experiencing financial difficulties, at a time when much of the country is enjoying prosperity. Table 1 provides information on life in the rural counties of northern Florida today. The economic and political environment in the agricultural industry suggests an increasing need for more efficient management practices on small farms. Increased urbanization of southern and central Florida has left northern Florida as the only region in the State where small farming operations continue to exist in large numbers. According to the 1987 Florida Agricultural Census, more than 33 percent of the farms in Jackson, Gadsden, Wakulla, Leon, Jefferson, Madison, Suwannee, Hamilton, and Columbia Counties are less than 50 acres. Small farmers are further confronted with major problems as they attempt to compete for markets in today's rapidly changing political, economic, and technological environment. Low profits are causing many farmers to abandon farming altogether. As a result, surrounding communities are overwhelmed by a demand for employment that they are unable to meet. The search for employment is taking many farmers away from northern Florida.

As farm policies drive agricultural operations toward market-based production, small farmers must consider nontraditional, agricultural enterprises and more innovative ways of marketing their products. The 1996 Federal Agriculture Improvement and Reform Act (96 Farm Bill) reduced funding for several programs, diminishing the role of Government in the life of the small farmer. Government programs are starting to grant more planting flexibility to the farmer. Therefore, farmers must be knowledgeable about the market outlook for agricultural commodities to determine profitable enterprises to pursue. The small farmer needs to investigate alternative crops, cooperative farming and marketing, and value-added processing to compete in today's agriculture.

Table 1. Regional and economic statistics*

County	Population	Area (sq. mi.)	Poverty rate (%)	Unemployment rate (%)	Per capita income ($)
Columbia	45,534	797	15.4	9.4	11,947
Gadsden	41,931	518	22.0	6.7	10,445
Hamilton	10,996	517	24.7	9.5	10,733
Jackson	41,579	942	17.3	6.4	11,205
Jefferson	11,997	609	17.5	5.5	10,628
Leon**	198,269	676	9.4	3.9	15,724
Madison	16,513	710	19.7	7.2	10,934
Suwannee	27,374	690	15.1	9.0	11,225
Wakulla	14,444	601	11.1	6.0	11,438

* Bureau of the Census, Census of Agriculture, 1992. *Geographic Area Series, Florida State and County Data*. U.S. Department of Commerce.

** Leon county has a much larger population and better statistics because Tallahassee, the State capital and a large city, is in the county.

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Obstacles facing the small farmer have been recognized, and efforts have begun to ensure their continued contribution to U.S. agriculture. Local limited-resource farmers in northern Florida, together with the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) and Natural Resources Conservation Service (NRCS), West Florida Resource Conservation and Development Council (WFRCDC), and Florida A&M University (FAMU), are working to better the financial situations of the farmers through innovative marketing strategies. These limited-resource growers formed a cooperative to increase their farm income by introducing improved methods of marketing value-added agricultural products, while encouraging innovative farming techniques.

AMS, NRCS, WFRCDC, and FAMU came together as a working group with a mutual concern for small farmers and the family farm. The working group established this pilot project in early 1997 and concentrated on assisting small farmers in the region to increase the prosperity of their family farms. This report provides the results of the 2-year pilot project.

Figure 3. NRCS Chief Pearlie Reed (left) visits with Glyen Holmes (NRCS, center) and Charles Connerly (WFRCDC) to see the Cooperative in its beginnings.

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Objectives

Following are the specific objectives of the pilot project in northern Florida, which may encourage replication of the Cooperative's efforts in other areas of the country.

1) Evaluate the opportunities for limited-resource producers to supply a local school lunch program with agricultural products through a pilot project.

2) Monitor and evaluate the pilot project with regard to cost effectiveness.

3) Monitor and evaluate the pilot project with regard to student acceptance.

4) Monitor and evaluate the pilot project with regard to administrative acceptance.

5) Monitor and evaluate the pilot project with regard to nutritional value.

A Time to Act

In July 1997, U.S. Secretary of Agriculture Dan Glickman appointed a 30-member National Commission on Small Farms to examine the status of small farms in the United States and to determine a course of action by which USDA might recognize, respect, and respond to their needs. In January 1998, the Commission submitted its report, *A Time to Act*, which contains a vision that recognizes the historical importance of small farms in the United States and the substantial potential that they hold for the future of this country. The Commission set policy goals that would guide the efforts of Secretary Glickman and USDA to best meet the needs of small farmers and ranchers. The report contains 146 specific recommendations that respond to the threats to small farm viability and examine future opportunities. The following recommendations from *A Time to Act* pertain directly to the needs of limited-resource growers in the northern Florida area and this pilot project.

- The research agenda should include the development of technologies suited to small-scale farms (Rec. 1.3).

- USDA agencies, with leadership from the USDA Office of Outreach, should seek to develop and implement innovative ways to partner with the private and nonprofit sectors. Through improved partnerships, USDA funds could be targeted to community-based organizations to help connect farmers and farmworkers with the technical and organizational information developed by and available from USDA, land-grant universities, and other agencies ... (Rec. 2.9).

- . financial and technical assistance programs should give priority to assisting the development of cooperatives that will primarily benefit small farm operators (Rec. 3.16).

- Value-added initiatives should pursue specialty and differentiated products where small farms and small food processing firms will have a competitive advantage over larger firms ... (Rec. 3.16e).

- Programs should give priority for cooperative development to benefit small farm operators, including, women, minority, and beginning farmers. Publications should be specifically tailored to provide information about cooperative opportunities for small farmers (Rec. 3.22).

- USDA should develop an interagency initiative to promote and foster local and regional food systems for the benefit of small farms, rural community citizens, and low-income people in rural and urban areas (Rec. 3.26).

- The Commission endorses the efforts of USDA's Food and Nutrition Service (FNS), AMS, and NRCS to pursue marketing opportunities for small farms to supply local school lunch programs. These agencies should be commended for taking this step, and should pursue the pilot programs in North Carolina, Georgia, and Florida with a commitment to overcoming any barriers to developing this market. The results of the pilots should be published and distributed along with a manual to encourage replication of these efforts throughout the country (Rec. 3.26f).

Meeting the Recommendations

AMS, NRCS, WFRCDC, and FAMU are devoted to providing assistance to small farmers and contributing to the sustainability of the family farm. This working group used *A Time to Act's* vision statement and policy goals as a measuring stick for the goals and results of the pilot project. This pilot project has directly responded to the above recommendations, as explained below:

Meeting Recommendation 1.3. Work with the Cooperative in its early stages required "nuts and bolts" solutions to serious problems such as refrigeration, storage, and processing. In the produce industry, refrigeration is the key to success and profitability. Most precooling and cold room technology is geared toward the large farm, processing firm, or broker. To ensure the highest quality for Cooperative customers, AMS, NRCS, WFRCDC, and Florida A&M worked with the Cooperative to provide economical, effective technology solutions for handling agricultural products.

Meeting Recommendation 2.9. AMS and NRCS have differing areas of expertise and resources that contributed to the pilot project's success. The WFRCDC, a nonprofit organization with a goal of increasing local economic development, was an excellent conduit which enabled the two agencies to work together. The pilot project would not have been successful without the participation of FAMU's Small Farmer Outreach Training and Technical Assistance Project.

Meeting Recommendation 3.16. Small farm operators in northern Florida realized that, to be successful, they would have to pool their resources. AMS, NRCS, WFRCDC, and FAMU worked diligently to organize these growers into the New North Florida Cooperative. After the initial organization, AMS, NRCS, WFRCDC, and FAMU contributed organizational and technical information as well as other resources to ensure the Cooperative's continued success.

Meeting Recommendation 3.16 e. The Cooperative decided to grow leafy greens since most of the growers had some level of experience with the crop. While raw, unprocessed leafy greens sold by the bunch do not provide much opportunity for profit, washing, cutting, and bagging them increase their value substantially. The value-added product was more easily used by food service workers in school cafeterias, and enabled the Cooperative to gain access to local school lunch and breakfast program markets and make a reasonable return on their investments.

Meeting Recommendation 3.22. The New North Florida Cooperative's goals are to provide the participants with a reasonable return on investments, pay a living wage to their day workers, and provide an avenue for cash to reach local small farm operators. The majority of these are limited-resource, minority, full-time or part-time, small-scale farmers. This report describes the successes and learning experiences of the Cooperative. A description of these experiences may prove useful to other USDA agencies and organizations interested in assisting small farm operators in cooperative opportunities, including land-grant universities, State Cooperative Extension

Service, other resource conservation and development councils, and Native American governments. AMS has also published bulletins, specifically targeting the small farmer, which summarize the major points of this report. The bulletins are designed for distribution by extension agents and outreach specialists at the local level. (Bulletins can be found at www.ams.usda.gov/tmd/mta/publications.htm.)

Meeting Recommendation 3.26. The pilot project is a joint effort by AMS, NRCS, WFRCDC, and FAMU to assist small farm operators in providing children in the local, rural community with healthful, fresh fruit and vegetables. The Cooperative provides nutrition to these children, while providing financial benefits to the Cooperative participants, its employees, and many of the local farmers.

Meeting Recommendation 3.26f. This pilot project began when *A Time to Act* was being written. Since that time, the Cooperative has had many successes and a few learning experiences. An important goal of the pilot project was to develop this report and a series of bulletins, entitled *Small Farmer Success Story*, that present organizational suggestions for similar cooperatives, tips on establishing a solid market and securing finances, and the successes and learning experiences of the New North Florida Cooperative. It is the hope of AMS, NRCS, WFRCDC, and FAMU that other small farmers can use the New North Florida Cooperative's example as a blueprint to design their own cooperative efforts.

Jackson County Empowerment Zone

Empowerment Zones and Enterprise Communities (EZ/EC) is a Presidential initiative designed to afford communities real opportunities for growth and revitalization. More information about the EZ/EC initiative can be found at www.ezec.gov. Its mission is to create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive strategic plans. The EZ/EC program measures itself by its success in providing the following:

- **Economic opportunity**
- **Sustainable community development**
- **Community-based partnerships**
- **Strategic vision for change**

The Marianna, FL, Chamber of Commerce nominated a region of Jackson County as an Empowerment Community. The application was accepted by the EZ/EC program. The vision of community leaders calls for the development of economic self-sufficiency for all citizens. The strategic plan calls for development of small businesses, provision for industrial expansion, and establishment of family support systems. Employment opportunities for unskilled workers are presently limited to low-wage jobs in large retail and wholesale trade sectors or service occupations totaling 3,000 and 1,000 jobs, respectively. According to 1990 Census data, the average wage for residents of Jackson County was $7.53 per hour.

Rural Empowerment Community within Jackson County
State: Florida
County: Jackson
Community population: 16,247
Community area size: 332 square miles
Poverty rate: 29.5 percent
Unemployment rate: 7.2 percent
Per capita income: $9,645.00
Education: 61.2 percent of residents lack a high school diploma.

The Empowerment Community in Jackson County wants to build a future in which young people will remain in the community after graduation from high school, farmers can make a good living from their land, and businesses can prosper with access to capital and necessary technology. Many of the everyday challenges in America today are magnified in rural America by poverty, neglect, and long travel times to work, shopping, and other needs.

The Jackson County Development Council, Inc. (JCDC) is a community-based, nonprofit organization established to implement and administer the Enterprise Community 10-year Strategic Plan. JCDC's mission is to work with the community to increase economic opportunity for Jackson County residents. Under its Rural Support Programs, the JCDC operates a Revolving Loan Fund (RLF) program to provide financing for rural economic development projects for the creation and expansion of small businesses and industries within Jackson County. The aim of RLF is to broaden and diversify the economic base, encourage capital formation for local entrepreneurs, and create private-sector jobs for low- and moderate-income families. Funds are made available through USDA's Intermediary Lending Program and the West Florida Electric Cooperative.

In its early stage of development, the Cooperative needed finances to buy refrigeration equipment. This was one of several critical issues affecting the continued existence of the Cooperative. The Cooperative had neither credit history nor considerable assets. The New North Florida Cooperative approached the JCDC, which is responsible for making EZ/EC funds available in the form of low-interest loans. The Cooperative was approved for a low-interest loan.

The Federation of Southern Cooperatives

The Federation of Southern Cooperatives (Federation) provides self-help economic opportunities for many low-income communities across the South. It is the only organization in the Southeast United States that has as its primary objectives the retention of African-American owned land and the use of cooperatives for land-based economic development. The Federation's membership includes 12,000 African-American farm families who work through 35 agricultural cooperatives to purchase supplies, share technical expertise, and market their crops. The Federation owns and operates its Rural Training and Research Center on 850 acres of land near Epes, AL, where it teaches production techniques, business skills, and cooperative practices. Federation programs are carried out through a network of cooperatives and credit unions from the Carolinas to Texas. They help to develop self-supporting communities by increasing income and enhancing other opportunities. The Federation assists in land retention and development for all family farmers, especially African-Americans. The Federation is an excellent source of information for a group of small farmers interested in organizing a cooperative. The Federation also has important contacts at the Federal, State, and local levels of government which may be helpful to small farmers.

The Federation was instrumental in facilitating connections among the group of small farmers who would eventually become the New North Florida Cooperative, AMS, NRCS, and the Gadsden County School District. In 1996, the Federation held a meeting in Atlanta to discuss the potential for limited-resource farmers selling agricultural products to local schools. Contacts, and, eventually, working relationships among AMS, NRCS, FAMU, and the Cooperative began at that meeting.

The Cooperative is an active member of the Federation. This has been beneficial to the Cooperative and the Federation. In one instance, due to unforeseeable crop loss, the Cooperative turned to the Federation for assistance. The Federation arranged for one of its members in Georgia to provide leafy greens to the Cooperative. The Federation's assistance in this case was crucial in meeting a delivery deadline and building customer confidence. The Cooperative has provided the Federation with a textbook example of how a cooperative of limited-resource growers can develop into a successful business. The Federation awarded its Cooperative of the Year Award in 1998 and the Cooperative on the Move Award in 1997 to the New North Florida Cooperative. The Federation has been able to use the success of the Cooperative to encourage other minority and small farmers in the Southeast to take advantage of cooperative marketing opportunities.

Development of the Cooperative

Organization

Over the past 2 years, establishing a strong organizational structure has eliminated many communication problems among the management team, participants, and others directly involved with the Cooperative. By clearly defining duties of the management team and the participants, many cases of misunderstanding and "ruffled feathers" have been avoided. Effective organization has enabled the Cooperative to:

- Make decisions quickly.
- Clearly define the roles of participants and the management team.
- Demonstrate a united purpose to lending institutions, government agencies, and customers.
- Develop and conduct efficient business practices.
- Move toward a common goal.

The following sections describe the cooperative organization and its evolution over the 2-year pilot project.

First Meeting

The first meeting is a critical point in the long process of developing a cooperative. A group of small farmers from several counties in northern Florida, who would eventually develop into the New North Florida Cooperative, met at the FAMU, Research and Extension Center, in Quincy, FL, on May 19, 1997, to organize and develop a potential market for farm-fresh produce. The first order of business was to select a management team. The farmers selected Glyen Holmes (NRCS) as chairman and Vonda Richardson (FAMU), Sophia Glenn (FAMU), and Charles Connerly (WFRCDC) as team members.

The next order of business was to identify obstacles that could prevent the success of the fledgling Cooperative. These included:

- Limited-resource farmers going out of business (external).
- Keeping participants focused on one market while building a cooperative (internal).
- Dealing with destructive attitudes and perceptions (external and internal).
- Farmers wanting too much out of a cooperative too soon (internal).

The first obstacle involved examining the increasing incidence of limited-resource farmers going out of business. A possible solution was to earn a reasonable return by selling produce to local school districts based on fresh market prices. This would provide a supplemental income to small farmers, while they continued to operate their diversified farm enterprises.

The second obstacle was to keep the participants focused on one market while building the Cooperative structure. Local school lunch and breakfast programs were selected as the primary market, and the Cooperative would concentrate all its efforts on supplying that market. It was decided that adding any other institutional outlet, such as regional hospitals, local prisons, or other direct marketing opportunities, would detract from the quality of service provided. By concentrating on one market, the Cooperative would avoid a major mistake made by many businesses of "spreading themselves too thin."

The third obstacle was dealing with destructive attitudes and perceptions. Mentally switching gears from open market competition with other small farmers to working together for the common good of the Cooperative was an obstacle that had to be overcome. Organizing and participating in a cooperative requires a long-term perspective. Taking a long-term view means

short-term sacrifices are seen in light of benefits to be realized 5 and 10 years into the future. This may not be easy for a small farmer who pays bills month by month or season by season, but it is a necessary step to forming a cohesive, viable cooperative.

The fourth major obstacle was farmers expecting too much too soon from the Cooperative. Patience during the first few years is critical while a cooperative is firmly established.

The participants decided that the Cooperative would be a marketing cooperative to provide its members with processing, storage, transportation, and marketing services. Participants would be responsible for production and harvest of the produce. Pickup and delivery to the Cooperative's facilities were the responsibility of the management team, thereby reducing the growers' liability. The management team would be responsible for processing, storage, transportation, and marketing. This meant that the management team would be responsible for adopting policies, conducting business, developing long-range business strategies, keeping the participants informed about the status of the Cooperative, paying workers, and distributing profits.

Advantages and Disadvantages

The small farmers discussed their individual and collective problems and possible solutions. Advantages and disadvantages had to be weighed fully before the decision to move forward as a cooperative could be made. There were several advantages, foremost of which was the utilization of a local and potentially large market. The growers recognized that the school lunch and breakfast market could be satisfied with a minimum of transportation and logistics. They realized that they would receive a better price for their produce if they pooled their resources, while also being able to purchase inputs at lower costs. A final advantage considered was the ability to have a louder voice, as a cooperative, in local, State, and Federal governments for a wide variety of reasons, including the availability of technical assistance.

One disadvantage of a cooperative was that it would not allow for individualism. Small farmers, who had always worked individually in a competitive market, would be encouraged to work together with other farmers. After weighing the advantages and disadvantages, the participants determined that the advantages of the business opportunity to sell directly, as a cooperative, to school districts easily outweighed the effort it would take to correct many of the negative, traditional, barriers and perceptions.

Participant Commitment

The first official order of business was for all participants, including the management team, to come to an agreement. This verbal agreement set down what was expected of participants and the Cooperative. First, participants agreed that the Cooperative concept and a pilot project providing agricultural products to local schools was a trial, with no promises and no guarantees.

Second, participants and the management team would commit to the Cooperative and its success. Participants recognized that making the Cooperative work would require a lot of hard work and a substantial time commitment.

Third, and directly related to commitment to work hard, was a commitment to teamwork. The Cooperative's success depended upon its participants working together as a team. Teamwork would be needed to meet delivery schedules, improve the Cooperative, and develop a positive reputation with local food service directors.

Figure 4. A field of nutritious collard greens ready for harvest

Fourth, the Cooperative would compensate the grower for a harvested crop at the time it was picked up. This was very important to the limited-resource growers. Payment at pickup time was essential because the grower had already paid for seed or plants, fertilizer, irrigation, and labor costs, sometimes 2 or 3 months before harvest. Last, participants would not be held individually responsible for the financial debt of the Cooperative. Rather, debts incurred by the Cooperative belonged to the Cooperative as an organization and not to its individual participants. If the Cooperative failed and owed money, the equipment and financial resources of the Cooperative would be used to pay the outstanding debt.

Cooperative participants agreed that the farmers would be responsible for all production inputs, growing, and harvest. The management team would set the production standards and product specifications for leafy greens and other fresh produce. The management team was also responsible for determining:

1) Types of crops to be grown.

2) Revenue distribution—an agreed-upon portion reinvested into the Cooperative and an agreed-upon percentage paid to members.

3) Who would grow what and where.

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4) Purchase of postharvest handling supplies and equipment.

Cooperative Organization

At this early stage, the Cooperative had a very simple organization. The management team provided leadership, organization, market development, planning, coordinating, processing, storage, and delivery. As the Cooperative developed and its participants became more comfortable with the cooperative concept, the organization evolved into a more traditional cooperative structure. The management team is not a permanent group, but a group that changes according to Cooperative and participant needs. Changes in schedules, family responsibility, health, and other factors can limit the responsibilities a participant can assume. Interest, confidence, and education have caused some participants to assume greater responsibility and become members of the management team. After 2 years, the management team consists of eight members. Over the 2-year pilot project, the management team made tough decisions and managed the details of the day-to-day operations to deliver high-quality produce on schedule.

Education

The Cooperative and its participants have learned about equipment purchase and market development through research and old-fashioned trial and error. In some situations, including production and logistics, trial and error was the only way to truly determine what worked.

Education provided by FAMU and NRCS, both one-on-one and classroom instruction, was critical to bringing this group of limited-resource growers to a state of efficient production. It is a big step to go from growing a few rows of garden greens for personal use to production of several acres with specific, targeted amounts and harvest dates. Education and other learning experiences helped the participants in production with regard to:

- **Varieties**: To build the business around a key product, several produce varieties were examined with respect to production inputs, return, and customer acceptance. The Cooperative chose leafy greens and then investigated different varieties of collard and turnip greens. The best varieties for handling, storage, taste, and institutional use were selected.

- **Fertilizer**: Optimum amounts of fertilizer with the best ratios were determined through experience and used to determine application rates.

- **Schedules**: Planting and harvesting schedules were established to meet the commitments of delivery amounts and schedules.

- **Elimination of Waste**: Realistic production volumes and a safety level for leafy greens were determined for varieties and spacings. This information was used to eliminate excess crops that would otherwise have to be plowed under, improve farm efficiency, and lower production costs.

Record keeping has been especially important in improving the growers' production efficiency. Record keeping was improved with regard to:

- **Break-Even Point**: Record keeping education for the participants has enabled them to track input resources, amounts, and costs. It has helped participants determine their break-even point and establish prices that allow for a reasonable profit.

- **Time:** Time and labor that a grower invests in the production of leafy greens or other produce varieties is recorded. Reviewing these records has resulted in better time management and improved efficiency.

- **Future Loan Approval:** Accurate record keeping and accounting are very important, if a participant wishes to apply for a loan. Records showing a profit over several years will greatly improve the applicant's chance for loan approval.

An understanding of general business practices was essential before the Cooperative could sell its first pound of produce to any school. The management team has been actively engaged in learning about the following aspects of business:

- **Market Research:** Market research is critical to any business. The management team took a close look at the local school districts and their school lunch programs. Participants' children would regularly bring home school lunch menus. The management team paid strict attention to the nutrition requirements, frequency, and cyclical nature of the menus.

- **Market Supply:** The management team researched the nutrition of different produce varieties served in the School Lunch Program. It researched the number of students who ate lunch at the local schools. Standard serving sizes were then used to work backward to the number of pounds of leafy greens needed to supply an entire school district. Additional calculations resulted in the acreage of crop needed for each delivery.

- **Customers' Needs:** The management team also met with local food service directors to understand their needs and requirements for leafy greens and other produce items. This information was used to determine proper equipment and handling practices for the Cooperative.

- **Logistics:** No amount of research could substitute for trial and error learning when it came to logistics. Handling, transportation, and distribution procedures were improved through learning experiences and time.

- **Cooperative Law:** To form a legally recognized cooperative, the management team had to learn about the laws of the State of Florida. Working with the State and a local lawyer, the team understood the laws and agreed to the details before filing the charter.

- **Business Finances:** Understanding business finances, including payrolls, payments, invoices, loans, profits, purchases, and reinvesting in the Cooperative, was accomplished by both research and trial-and-error.

- **Equipment:** Research on equipment performance, operation, maintenance, cost, and financing was crucial in the development of a value-added cooperative.

The Cooperative has conducted many activities to help educate the participating and surrounding small farmers in the areas of production, marketing, financial planning, record keeping, and postharvest handling. The Cooperative regularly holds field-day events as educational and outreach forums. Some field days are targeted specifically toward small farmers' needs. At these meetings, agricultural production specialists from regional universities discuss the latest production, nutrient management, and bio-control practices. Alternative crops for niche markets are also considered. These sessions not only provide an excellent opportunity for small farmers to improve their operational efficiency and effectiveness, but also serve as morale boosters. They can see and hear firsthand how AMS, NRCS, WFRCDC, and FAMU are working to overcome the challenges facing the small farmer. They gain a sense of being part of a dynamic group and witness the evolution and progress of the Cooperative.

Some of the field days are designed to reach out to the community and provide information on what the Cooperative wants to accomplish and its progress. These meetings have provided word-of-mouth advertising to prospective Cooperative participants and potential customers. Outreach specialists from several universities have expressed interest in the pilot project and the Cooperative's success. The most recent field day was held with the sole purpose of encouraging replication of the Cooperative's efforts across the Southeast.

The Cooperative has provided additional education to small farmers by participating in demonstration projects. In the spring of 1998, the Cooperative set up a 1-acre demonstration project with muscadine grapes. The Cooperative invested resources in seedlings, land, posts, support cables, and labor. The Cooperative is interested in investigating other potential niche market opportunities, including muscadine grapes and value-added products made with the grapes.

The Cooperative also educates its participants by encouraging field trips. By attending various meetings, the Cooperative and its participants network with other small farmers and cooperatives across the country who are trying new and innovative marketing techniques. The Cooperative then channels these new ideas into its own marketing activities.

The Cooperative also participates with the Small Farmer Training Outreach and Technical Assistance Program, in holding meetings on financial planning and record keeping for its participants. The meetings address financial planning principles and record keeping and demonstrate the necessities and benefits of these business practices as well as basic procedures. The Cooperative stresses the importance of financial planning and record keeping in dealing with lending institutions.

Education, combined with an innovative marketing concept, dedicated participants, and solid organization, has been essential to the survival and success of the Cooperative. Education has removed false perceptions and impressions. In their place, the Cooperative now has the knowledge and understanding of aspects critical to a successful, profitable business.

Business Volume

Although producing and marketing strawberries, blackberries, muscadine grapes, and cabbage were discussed, the farmers settled on leafy greens because of their experience in growing them and their nutritional value. A target of 2,000 pounds per month was agreed to as a realistic volume. This would provide the Cooperative with working income, but would not initially overwhelm the participants. In only 2 years, the Cooperative surpassed this goal. Increased market demand, processing capabilities, and a solid reputation as a produce vendor resulted in over 4,000 pounds of leafy greens being sold in April 1999.

The location of the Cooperative and its business characteristics also had to be determined. The Cooperative chose a 40-acre tract of land west of Marianna in Jackson County as a central location for storage and handling. The next step was to determine the location of the customers. The Cooperative selected the Gadsden and Jackson County school districts because of their proximity. At this early stage, supplying product to more than two school districts could cause supply and logistics difficulties. The Cooperative might become overextended, resulting in less than perfect service or missed deliveries. Another concern was overwhelming the participants with numerous orders, long hours, and excessive commitments.

The operating methods used by the schools also presented a challenge. In Gadsden County, 15 individual schools with 13 separate preparation kitchens were spread over a large area, a logistical challenge to effective delivery of leafy greens. The Jackson County School District had a similar food preparation system. Also, deliveries had to be made within 1-2 days of the serving date. This constraint was caused by storage requirements for fresh produce items and the time needed by the food service kitchen staff for food preparation.

The school food service directors were interested in serving leafy greens regularly during the school year because of their nutritional and fiber value. The food service director of the Gadsden County School District met with the Cooperative management team and worked out a schedule that would both provide the children with fresh, leafy greens on a regular basis and set realistic production levels for the Cooperative (appendix 1).

Opinions of Cooperative Participants

Although there was some skepticism about how well the Cooperative would work, most participants were enthusiastic once the basic structure and operating practices were established. The Cooperative relieved the direct pressure of processing and marketing, allowing the participants to focus on growing a crop and harvesting it on an agreed-upon date. The participants were required to meet the labor needs for processing if part-time help was not available. The financial risk of purchasing, processing, and storage was not the responsibility of the participants. The Cooperative took on the responsibility of cultivating customers and developing a local market. Participants were pleased that the Cooperative would pay the farmer upon pickup of produce. The Cooperative eliminated the delay time for payment to people who could not afford to wait. This practice was made possible after the Cooperative had accomplished several deliveries and set aside funds for immediate payments.

Building a Business

Business Plan

The Cooperative business plan consisted of two parts. First was the operation of the Cooperative, which provided education, marketing, and technology transfer to its participants. The management team worked closely with NRCS and FAMU to provide the participants with information on advanced production techniques, integrated pest management practices, and record keeping to give them a competitive edge. Building a strong customer base was an important management function, as was its responsibility for technology developments, including continual improvements in processing techniques, postharvest storage, and adapting packaging to meet customer needs.

The second part of the business plan was organizational. The organization provided by the Cooperative and management team clearly defined the positions and responsibilities of everyone involved with the Cooperative. In the early stages of the Cooperative, this was especially important to eliminate misunderstandings, poor communication, and other organizational tensions. The management team provided leadership, short- and long-term planning, pickup of product, processing, and delivery. It also handled business dealings as a single body, including customer service, and banking business.

Vision Statement

The management team developed a vision statement for the Cooperative. The vision statement resulted from in-depth discussions and reflects the future the Cooperative sees for itself.

> **The New North Florida Cooperative will be a service cooperative providing education, marketing and technology transfer in order to provide a competitive edge for small farmers in the northern Florida region. The income generated from the value-added business will flow to and within the local community. The Cooperative's business will be primarily targeted to providing fresh, healthy agricultural products to local school districts throughout the entire school year. The Cooperative will grow, process, and deliver 50,000-60,000 pounds of greens a month. The Cooperative will also develop several additional lines of fruit and vegetables that will be produced and sold as additional sources of revenue.**

Strengths and Weaknesses of the Cooperative

The management team took a realistic look at the internal strengths and weaknesses of the Cooperative. The Cooperative had the education and experience needed to provide the participants with more efficient production practices for leafy greens. Their background was a strength when it came time to develop a market and cultivate customers. With its contacts in AMS, NRCS, WFRCDC, and FAMU, the management team was able to facilitate technology transfer, which improved production practices as well as storage, processing, and packaging.

Equipment Purchase: Equipment is not readily available to individual limited-resource growers because of the initial investment required. The Cooperative purchased and maintained postharvest handling, processing, and packaging equipment which enabled its limited-resource producers access to otherwise unattainable resources.

Debt Financing: A major problem of limited-resource farmers today is debt financing. As a Cooperative, participants were able to obtain credit when it was not possible for the individual farmer. The Cooperative provided a necessary conduit for much-needed capital to be invested in equipment.

Good Business Practices: Headed by the Cooperative management team, the organization facilitated a growth strategy, vision, and short- and long-term planning. The management team reviews existing Cooperative business operations and allows for adjustments in production, processing, and delivery to meet the needs of the market.

Inexperience: One weakness of the Cooperative was its inexperience. The participants had never been part of a business organization. The management team was also learning as it proceeded with establishing a cooperative, developing a market, and operating under good business practices. However, the experiences of the first 2 years have replaced the previous inexperience with an understanding of good business practices and a constructive level of confidence.

Mission Statement

The New North Florida Cooperative provides fresh, healthy agricultural products at a fair price to local School Lunch and Breakfast Programs. The Cooperative is responsible for the marketing, handling, processing, and delivery services of agricultural products produced by participating local small farm operators. The Cooperative will meet the needs of local small farm operators by facilitating the flow of profit from the value-added business operation to and within the local community.

Values Statement

The New North Florida Cooperative will be honest, loyal, and fair to customers and participants. The Cooperative will deliver the highest possible quality agricultural products grown by local limited-resource farmers.

The vision statement points to where the Cooperative wants to be; the mission statement shows how it is going to get there; and the values statement is used as an ethics guide.

Evaluating Barriers and Opportunities

The management team had to evaluate the barriers and opportunities facing the small farmers and the Cooperative in this alternative marketing venture.

Weather (external): To fully meet the needs of local school food service directors, leafy greens need to be harvested during the entire school year, September through May. For leafy greens to be harvested early in the school year, they have to be grown in the heat of summer. Leafy greens are cool-weather crops and usually don't do well in the extreme heat of a Florida summer. Lack of rainfall during the summer necessitates the use of irrigation. Mild weather during the rest of the year makes northern Florida an excellent area to grow greens throughout the school year. An occasional cool period during the summer allows for crop replanting to recover from heat-stressed crop failure.

Capital (internal): The Cooperative overcame its lack of credit history through its association with AMS, NRCS, FAMU, and especially WFRCDC, organizations which lent credibility to the Cooperative. Once accepted for credit, the management team had to monitor closely the business management plan, paying back the principal and paying off the interest. Local banks were charging 10 percent interest, but USDA's Farm Service Agency provides loans at 6.25 percent. The other option available was to access EZ/EC funds through the Jackson County Development Council.

Government Regulations (external): The Cooperative investigated a range of Federal, State, and local government regulations concerning handling

and processing produce for the local schools. In addition, the Cooperative filed paperwork (appendix 2, Department of Defense Order for Supplies or Services Form) with the U.S. Department of Defense (DOD) to become a School Lunch Program provider. The Cooperative had to follow Florida Department of Health food safety requirements for delivering to schools. The Cooperative also used government requirements as a guide when purchasing equipment and establishing its processing/handling procedures. Although these requirements could have been seen as a barrier, the Cooperative used them as guidelines to set up their operations.

Social Attitudes (internal and external): The small farmers and the Cooperative had to combat negative social attitudes. Foremost among these was the reluctance of limited-resource farmers to work together. A farmer who adopts an attitude of "I farm alone," has to turn 180 degrees to become a productive member of a cooperative.

The Cooperative had to demonstrate to the public, and more importantly to the local food service directors, that small farmers could work together. The management team was crucial in presenting a unified Cooperative organization when developing working relationships with food service directors.

Many small farmers are reluctant to diversify their operations, resulting in another barrier. A common sentiment is, "I have been growing this crop for years, and I'm going to stick with what I know." A small farmer may be afraid to start growing fruit or vegetables on a relatively large scale with little or no experience. However, many small farmers can see that they need to change to stay in business. The decrease in and eventual termination of price support programs for several commodities have forced farmers to consider diversifying their operations in order to stay on the family farm.

Preferences (external): School food service directors who have long-established suppliers may not be interested in working with a newly formed cooperative. They may not want to risk a change in quality or problems with delivery. As a new business, the Cooperative had to provide its customers with high-quality product, prompt deliveries, a fair price, and courteous service. Only by providing these things could the Cooperative become the vendor of choice for the local school food service directors.

Marketing Opportunities (external): Currently, there is no real competition in this niche market. It would not be feasible for large producers to concentrate on such a small market, and there is no small cooperative or group currently involved in marketing exclusively to school food services, either in the Florida Panhandle area or the Southeast United States. The opportunities open to the Cooperative were unique. With no competition from big producers, small farmers, or other cooperatives, the Cooperative has captured a niche market uniquely suited to its capabilities.

Evaluating Strategic Options for Business

In evaluating strategic business options, the Cooperative encountered several technical barriers, mostly related to postharvest handling and processing. Cooperative participants did not own any of the necessary equipment and had little experience with that type of machinery. The Cooperative knew that the equipment needed for proper postharvest handling and processing would require a substantial investment. It was agreed that the Cooperative would gradually move forward with goals of refrigerated storage, processing machinery, transportation equipment, and a stable day labor force.

Marketing: The management team of the Cooperative met with the food service director of Gadsden County and listened to her needs. Fresh

produce is preferred to frozen or canned items. She wanted to serve as many fresh fruits and vegetables as possible. This provided an excellent market for the Cooperative. Based on the school year and the ability to deliver fresh, locally grown produce, cool-season varieties were selected. This made production easier and allowed the Cooperative to supply and deliver for most of the school year. Also, the Cooperative decided to consider some warm-season produce that would be supplied and delivered early in the school year, late in the school year, and during summer school sessions.

Postharvest Handling and Processing: The Cooperative as an organization would provide services that the limited-resource growers could not. The management team and Cooperative participants accepted the labor-intensive methods used in processing and postharvest handling in the early stages of the business. It soon became clear that storage, processing, and delivery needed to be improved. The need for refrigerated storage was clearly evident when a load of leafy greens was lost to warm conditions the night before a delivery date. Refrigeration would also extend the processing period. Refrigerated storage allowed the value-added processes for the fresh, leafy greens to be staggered over several days before a delivery. The Cooperative could fill larger orders and reduce pressures on day laborers. The Cooperative also needed to improve the efficiency of its processing phase, which at that time was done by hand. The Cooperative started to investigate cutting machines that would meet its needs.

Delivery: Local food service directors needed prompt deliveries to outlying schools that had their own kitchens. From the Cooperative's point of view, this was a logistical difficulty. To ensure that the delivered products were of the freshest quality, a maximum delivery time of 1½ hours was agreed upon. This would enable the Cooperative to serve many of the distant, rural schools while still maintaining the high quality of the leafy greens. By working hard to develop a successful delivery system, the Cooperative provided the service to meet the needs of the customer.

Community: The Cooperative's values statement makes it clear that the management team and Cooperative participants will treat everyone in a fair, honest manner. This was essential to encouraging other local small farmers to participate in the Cooperative and to maintaining its business with the school districts. School food service directors have many choices of food vendors. A Cooperative that bases its business practices on integrity, honesty, and professionalism can be seen as a valuable member of the community and a wise choice as a vendor to public institutions.

Strategic Plan Defined

Early in the Cooperative's first year, the management team developed the following strategic plan:

> **The strategy of the New North Florida Cooperative is to increase farm income of small farmers through niche marketing, value-added processing, and alternative enterprises. The Cooperative business plan will be developed to serve local school districts with fresh, leafy greens as a healthy portion of the School Lunch Program. In addition to the main product of leafy greens, the Cooperative will also diversify into other produce varieties.**

The strategic plan describes how the Cooperative will overcome its internal and external barriers, while taking full advantage of its strategic options. To implement the strategic plan, the Cooperative set up several objectives, which were used to measure performance. These objectives were short-term, practical, specific, measurable, and results-oriented. For each objective, the Coopera-

tive developed a detailed action plan that outlined accomplishments and timeframes. Developing these specific action plans provided a roadmap for day workers, participants, and the management team and gave them a clear understanding of their own and each other's responsibilities. As the Cooperative progressed, the action plans provided a measure of accountability. These objectives are described below.

Objective #1: Meet all established delivery deadlines.

Food service directors were committed to preparing the leafy greens on certain days and were constrained by published menus. Meeting delivery deadlines would show that the Cooperative was a responsible business that upheld its commitments. Developing a level of confidence with local school food service directors would be essential in future business practices. The Cooperative was aiming for 100 percent on-time deliveries.

The action plan for this objective was to start with the target date and times for delivery and work backward. That meant having participants or management team members make the deliveries, coordinate postharvest handling/processing processes, and find dependable part-time workers. Over the first school year, the Cooperative achieved a 90 percent success rate, with one missed delivery caused by weather and equipment problems. The Cooperative achieved a 100-percent success rate in its second year because it learned from its mistakes and made equipment improvements.

Objective #2: Purchase a cutting machine to eliminate the cumbersome chore of hand chopping large amounts of leafy greens.

The workload of participants and day laborers was taking its toll on morale. This, combined with time limitations dictated by lack of refrigerated storage, proved very difficult for the Cooperative.

To implement the action plan, the management team found a cutting machine that would meet its needs at a reasonable price. For financing, they approached the JCDC, which makes loans through the EZ/EC project, and were approved for a low- interest loan.

Objective #3: Purchase refrigerated storage.

The quality of the products, whether leafy greens, strawberries, blackberries, or muscadine grapes, would depend upon refrigerated storage.

To carry out the action plan, the management team conducted market research to find the most economical refrigeration system that would meet the Cooperative's needs. The Cooperative then purchased a used refrigerated trailer from a local trucking company at a reasonable price. The trailer was 48 feet long, providing enough space to accommodate their current operation with substantial room for expansion. They financed the trailer purchase at a local bank. The bank approved the loan based on the Cooperative's intent to initially sell products to local schools and on the support provided by two USDA agencies at both the local and national levels.

Objective #4: Purchase a trailer for deliveries.

The action plan for this objective was to set aside enough money to pay for a used trailer and then find a reasonably priced trailer optimal for required deliveries. This objective was not met during the first year of operation, and the Cooperative used a participant-owned van to make deliveries. Investments in the Cooperative's processing shed and the payments on the equipment loans prevented another large purchase. The Cooperative was able to meet the objective the second year. The Cooperative used its own funds

and purchased an enclosed trailer that greatly improved the efficiency of deliveries.

Objective #5: Build a packing shed to house the cutting machine and rinsing sinks and provide shelter for participants.

The action plan called for the Cooperative to provide the materials and the participants to build the structure. They built a simple wood-frame structure with electrical and water service. Locating the postharvest handling and processing indoors was important to the comfort and morale of the participants. The Cooperative is continuing to improve the building as resources permit.

Objective #6: Become a certified Government vendor.

This allows the Cooperative to participate in DOD's Direct Vendor Delivery (DVD) program. DOD is responsible for delivering commodities and overseeing the supply of the School Lunch Program.

The management team contacted the Defense Subsistence Office (DSO) in Jacksonville, FL, and filled out the appropriate form (appendix 2). The Cooperative worked with DOD to meet DOD's certification requirements and became a certified vendor.

Objective #7: Market leafy greens to the local schools and diversify into other varieties of produce.

To implement the action plan, participants planted 1 acre of strawberries at the Cooperative's central location, on raised beds with black plastic mulch and a drip tape irrigation system. The participants were responsible for the production and harvest, and the management team was responsible for the marketing and delivery.

Next, the participants planted muscadine grapes for future sales. The Cooperative provided the land, materials, and the root stocks of some promising varieties. The participants provided the labor.

The action plan to meet the objective of diversifying the Cooperative's produce sales was accomplished. The strawberry test produced a fair amount of berries that were sold to local schools for salad bars, desserts, and breakfasts. The muscadine grapes were planted and support trellises built in the spring of 1998. Since it will take several years to realize a return on the muscadine grapes, this operation represents a long-term investment of time and resources.

The Cooperative continues to grow and is developing its vision of a stable, profitable business. The management team modifies the strategic plan as necessary. The accomplishments of the first 2 years have enabled the Cooperative to redefine its strategic plan, allowing it to identify new objectives and achieve those left incomplete.

Establishing Credit

A cooperative needs capital to finance business operations and make necessary purchases. If a cooperative doesn't have sufficient capital, it will have to incur debt. There are two types of debt: short-term and long-term. Short-term loans are used to finance operating expenses or material inputs and are paid back usually within a year. Long-term loans are obtained to finance fixed assets, such as land, equipment, or vehicles.

The Cooperative needed to borrow money for necessary postharvest equipment. However, to acquire a loan from a traditional lending institution, a borrower must have good credit or substantial collateral. Since the Cooperative was new and made up of limited-resource growers, it did not have a credit history.

The participants did not want to put their own farms or businesses in jeopardy. Their personal assets were never at risk, however, because a cooperative, as an entity, is responsible for its own debts.

In preparing to meet with lending institutions, the management team identified several things that it believed should be conveyed to lending institutions and loan officers.

- Written proposal
- Professionalism
- Seriousness of purpose
- Certification as a DOD vendor
- Proven success
- USDA cooperation at local and national levels, which demonstrated credibility

The management team prepared a written proposal detailing the need for the loan and chose a spokesperson.

The management team provided a copy of its DOD Order for Supplies and Services certification (appendix 1) to the lending institution. The DOD certification lent credibility to the Cooperative from an agency of the Federal Government.

In approaching lending institutions for assistance, the Cooperative showed that it was already meeting a delivery schedule with the local school district and that it was not requesting money for initial startup costs, but, rather, to purchase equipment to improve the existing business and lead to expansion. The Cooperative's credibility as a vendor was established by an endorsement from the food service director for the Gadsden County schools.

The Cooperative's credibility was further enhanced by the fact that USDA was working closely with it at both the local and national levels by providing technical expertise and resources.

The Cooperative wrote up a formal proposal for each loan, clarifying the Cooperative's position. In writing the proposal, the management team set down major details of the needed equipment and its business uses.

Importance of Postharvest Handling

Providing fresh, healthful produce to local school lunch programs requires special postharvest handling practices and equipment to ensure product of the highest possible quality. The produce should look healthy and have a good color. Texture is also important: Items should be crisp, crunchy, and firm and exhibit the necessary textural trait appropriate for that produce variety. Products are also expected to have a pleasant aroma. If produce items have an "off" smell, the produce may not be salable. The final and most important criterion for produce quality is taste. This is very important to school food services directors because they provide these products to children, who can be demanding customers.

Nutritional value is another criterion that a school food service director will use to evaluate produce. This may cause a food service director to be interested in purchasing only particular varieties of produce and to carefully evaluate the quality of the varieties chosen. The fresher, higher quality the produce, the greater the nutritional value.

Proper postharvest handling requires specific practices and equipment to maintain all aspects of produce quality. The Cooperative realized that in order to provide the best possible products to its customers, it would have to invest in several pieces of postharvest handling equipment.

Equipment

The Cooperative began providing leafy greens to local school districts without any specialized equipment. Greens were processed by hand, washing was done in large steel tubs, and chopping was done by hand with knives. There was no refrigeration system so there was no storage capacity. As a result, harvest and processing had to be done the day before delivery, a labor-intensive and tiring procedure for participants and day laborers. The work often went on until late at night. To continue in business, the Cooperative needed equipment to add value as well as decrease labor inputs.

Packing/Processing Shed: A packing/processing shed was needed to provide a dry place to store and operate equipment. The Cooperative purchased the materials for the building, and participants supplied the labor. The Cooperative packing/processing shed measures 15 by 25 feet, providing ample space for equipment and room for participants and day laborers to work comfortably.

Cutting/Chopping Machine: The management team recognized that chopping greens by hand was labor intensive, time consuming, and unsafe. The management team began talking with other businesses with similar equipment needs and

Figure 5. New North Florida Cooperative's chopping machine used for processing leafy greens

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found a company that made machinery that met the Cooperative's specifications and accommodated its financial constraints and participants' use requirements. They chose the "Jumbo Cutter" made by Sunshine Systems of Boulder, CO.

An advantage of this model was that it could easily be used to add value to other agricultural products should the Cooperative decide to diversify its product line. The cutting machine can cut carrots, celery, and lettuce, which would enable the Cooperative to process healthful snacks or precut salads for local schools. Another important aspect of the cutting machine was its safety. The cutting/chopping machine would reduce the risk of injury to everyone involved in the processing of the leafy greens. The machine also can be operated by one or two people, an important consideration due to fluctuations in labor availability.

Some school food service directors were satisfied with the 2-inch cut provided by the machine, but some required a finer cut. To provide the finer cut, the Cooperative further hand chopped the 2-inch cut greens. This took extra time and effort, but was necessary to meet the customers' needs. After the first school year of using the cutting machine and then hand chopping to get the fine cut size, the management team decided that another cutting machine to cut the leafy greens finer was needed. The Cooperative markets the smaller cut size leafy greens as its "fine cut" line, and its 2-inch cut size leafy greens as its "country cut" line.

Wash Sinks: Leafy greens need to be thoroughly washed and rinsed. Leafy greens, due to their proximity to the ground, can become dirty when rain splashes soil onto the leaves. Soil can be difficult to wash off and requires close attention. Some people even use old washing machines to rinse leafy greens for their own consumption. In the Cooperative's beginning, participants and day laborers washed the leafy greens by hand in large galvanized steel bins.

The Cooperative knew it had to improve this process to make it more efficient. When the packing/processing shed was built, the management team replaced the large wash bins with stainless steel sinks purchased from a local restaurant. They are in a convenient location for water hookup and drainage, situated in a logical, uninterrupted flow for processing. The purchase and use of the sinks has improved the efficiency of the entire processing procedure for leafy greens.

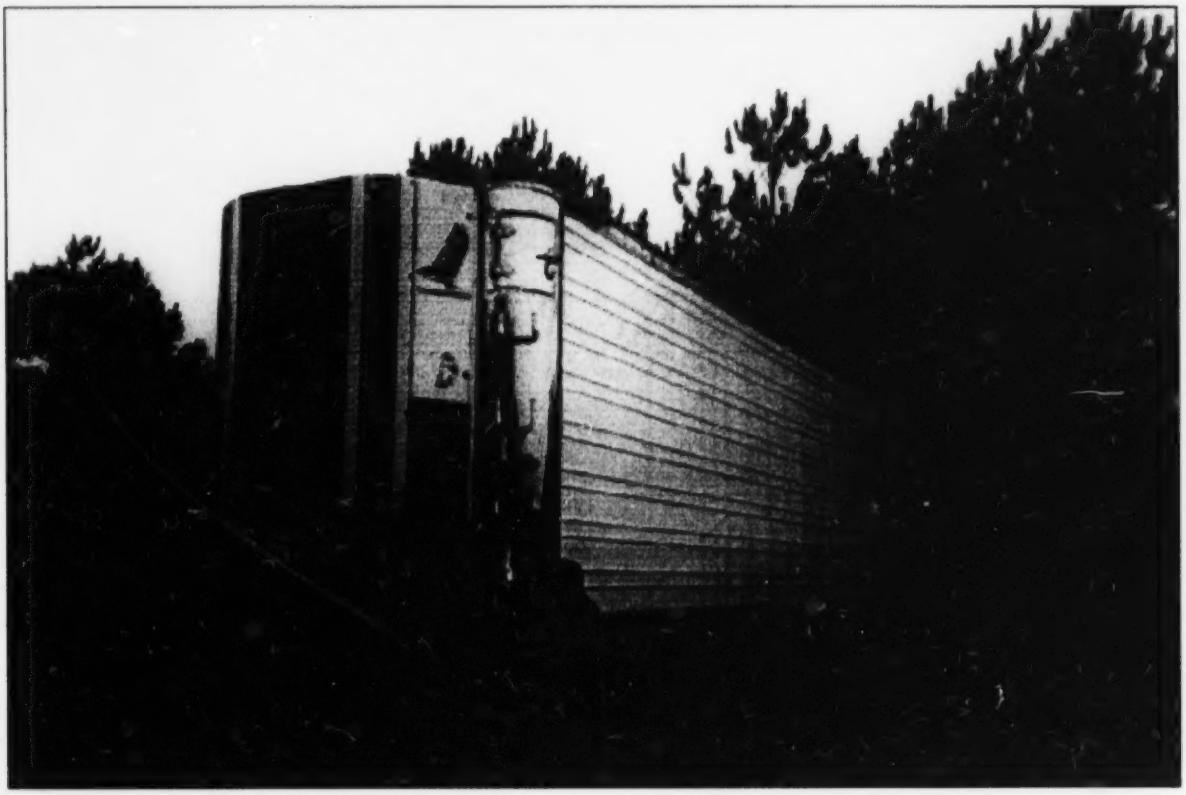
Refrigeration System and Storage: It soon became obvious that the Cooperative needed refrigerated storage to provide its customers with the highest quality products.

Refrigerated storage would also eliminate the hectic processing of an entire shipment the day before delivery. Spreading the processing over 2 or more days provided a more realistic timetable and created a better work situation. It also allowed more stable work schedules for part-time laborers and participants.

Refrigeration would also allow the Cooperative to market its produce to other local school districts. The extended shelf life that proper refrigeration provides can translate into greater delivery distances.

The management team knew it had to act quickly when the Cooperative lost a load of leafy greens ready for delivery because of one unusually warm night. The quality of the leafy greens deteriorated so much that the product was not salable. After that incident, the management team made several calls and found a local trucking company willing to sell a used refrigerated trailer to the Cooperative. The Cooperative obtained the money from a local bank and purchased the trailer within weeks. Because the Cooperative would use the trailer as a semipermanent structure, it returned the wheels and tires to the trucking company, saving it money on the transaction.

Figure 6. Refrigeration system and storage for perishable agricultural products.



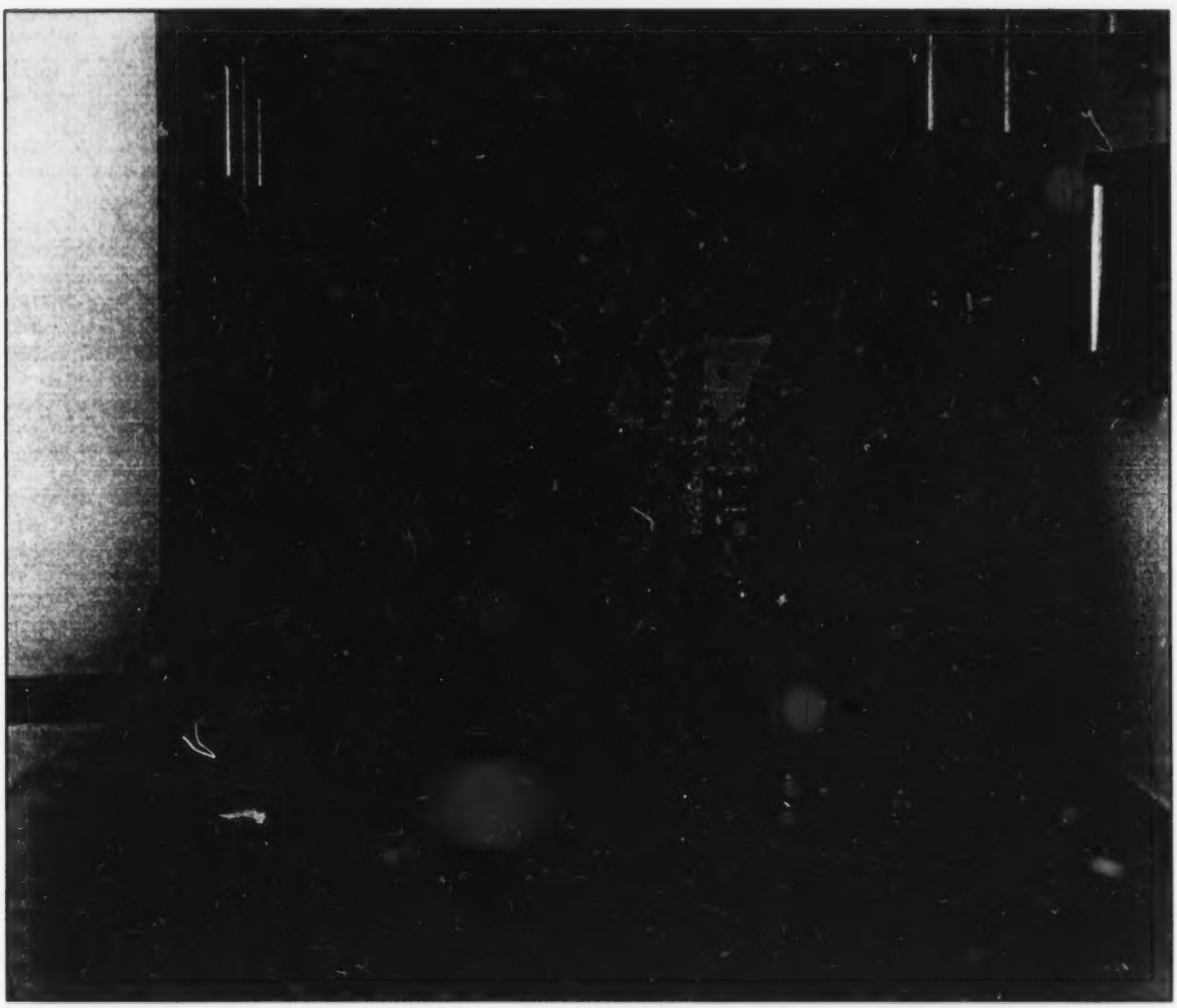
The trailer is a 48-foot-long Thunderbird refrigerated trailer with a Carrier refrigeration unit. Since the refrigeration system runs on diesel and has a tank capacity of 50 gallons, it can run for approximately 3 days. The refrigeration unit has an adjustable thermostat, a useful feature when the Cooperative markets products with different temperature requirements. The refrigeration capacity for the trailer exceeds the Cooperative's current needs but will allow the Cooperative to increase the amount of product handled. The Cooperative also can precool just-harvested produce while storing other products at stable temperatures. This is a useful feature when the Cooperative works with different produce varieties at the same time or has overlapping delivery schedules.

Delivery Trailer: The Cooperative purchased an enclosed, single-axle trailer to transport leafy greens and other produce items from the fields to the processing center and then to the schools. A cooling system from a recreational camper was attached to the top of the trailer to cool the trailer before loading and hold the produce at a relatively low temperature during transport. Sheets of Styrofoam insulation were installed inside the trailer to protect the produce from the outside heat. A logo was printed on the side of the trailer, along with the name of the Cooperative and the phrase, "The Pinnacle of Quality," to establish the Cooperative business identity.

Employees

The Cooperative does not yet require the services of full-time employees. Cooperative participants meet part of the labor needs by helping with washing, cutting, and bagging as their schedules allow. The remaining work is handled by part-time employees. Often they are neighbors or members of the local church. Because of the limited size of the niche market the Cooperative serves, it does not envision a full-time workforce in the near future.

Figure 7. Glyen Holmes (left) and Vonda Richardson (right) meet with DOD Defense Subsistence Office staff in Jacksonville.



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Department of Defense Direct Vendor Delivery (DVD) Program

DOD developed the innovative DVD program as part of the National School Lunch Program. The goal of the program is to make larger quantities and varieties of healthful, fresh fruits and vegetables available to school children. The DVD program facilitates the purchase of fresh fruit and vegetables and provides assistance to school district food service directors.

In the State of Florida, 39 counties and approximately 3,000 individual schools participated in the program during the 1997/98 school year. Approximately $3.5 million was available for the purchase of fresh produce through this program in Florida for the 1998/99 school year.

The Defense Subsistence Office (DSO) in Jacksonville purchases from around 50 small vendors across the State of Florida and 2 small farmer-run cooperatives, including the New North Florida Cooperative. A vendor does not have to be certified to sell produce to schools if the money comes from the school district's food budget. To participate in the DVD program, however, the supplier or vendor must be approved as a certified vendor (appendix 2, Department of Defense Order for Supplies or Services Form). The Defense Supply Center Philadelphia (DSCP) and USDA signed a Memorandum of Understanding (MOU) in 1993 to provide fresh produce to schools in eight test States using Group A entitlement money, amounting to approximately $3.5 million. In the 1998/99 school year, the program expanded to 38 States, and included Guam and Alaska, with a program ceiling of $25 million. Schools can purchase fruit and vegetables directly from producers or from the DSCP. The DSCP has field buyers that depend on hundreds of small farmers located across the United States to provide military troops, commissaries, Indian Nations, and schools with quality produce at the best possible prices. The local DSO representative discusses order preparation, paperwork procedures, item availability, delivery schedules, and billing required of project participants. USDA has authorized a listing of 180 produce items for this program. Food service directors can purchase from a terminal market or decentralized market or take delivery directly from the growing fields. If there are any problems with the delivery, customers are instructed to call the DSO as soon as possible.

Cultivating Customers in a Local Market

The Cooperative recognized the tremendous opportunity in serving local school districts with agricultural products. The potential was great, but there was a risk of not being able to break into the market. Capturing the local school district market would mean the success of the Cooperative. The management team developed a plan to approach this local market, much as it had approached lending institutions for business loans. The newly formed management team needed to convince prospective customers to buy from a Cooperative without any business history. The Cooperative again emphasized the following attributes as it approached school food service directors.

- Professionalism and courtesy
- Seriousness of purpose
- Accountability and commitment
- Sample products
- Certification as a DOD vendor and participant in the DVD program

The management team made an appointment to meet with the food service director of the Gadsden County School District. They described to her the Cooperative's history and purpose, discussed their proposed business, and listened closely to her food service needs.

A food service director is responsible for providing healthful, nutritious meals, controlling costs, establishing menu schedules, and meeting Federal guidelines. A food service director needs a serious commitment from vendors and suppliers to provide a high-quality product in the quantity specified at the time scheduled. The resolve and commitment of the management team alleviated many of the food service director's initial concerns.

Accountability of a vendor or supplier is especially important to a food service director. Things will occasionally go wrong. Food service directors need to be able to contact someone quickly if there is a problem. They want to be notified ahead of time if a delivery will be late or missed completely so they can make substitutions and adjustments. The Cooperative has been careful to respond quickly to the Gadsden County schools' food service needs, thereby establishing a successful working relationship.

Providing free samples of product is a common marketing tool used by businesses to develop product recognition. The Cooperative provided a free sample of 3,000 pounds of washed, chopped, and bagged leafy greens to the Gadsden County schools to show the customer that a cooperative of limited-resource producers could successfully supply a School Lunch Program with high-quality, local agricultural products. This reinforced the Cooperative's image as a professional, courteous, serious, and accountable business that could satisfy the needs of local food service directors.

The management team realized that the Cooperative would benefit by being certified as an official DOD vendor. The management team contacted the DSO in Jacksonville for the necessary paperwork (appendix 2). Since the Cooperative chops leafy greens, which DOD considers processing, DOD required an inspection of the processing facilities. During that inspection, the management team learned of the DVD program, which would provide local school districts substantial savings and make purchasing fresh produce from the Cooperative an appealing option.

The Cooperative's next step was to build a solid reputation by meeting the needs of its customers. The Gadsden County Food Service Director developed her school year menu and periodically incorporated leafy greens as the vegetable choice (appendix 1). The Cooperative provided the necessary amounts of high-quality, fresh fruit and vegetables on time.

In early March 1999, the management team met with the director and assistant director of food service for the Jackson County School District. The ARAMARK Corp., a contract management company, is responsible for providing approximately 7,800 lunches and 2,000 breakfasts daily to the Jackson County schools. The management team offered to supply two schools with free samples of leafy greens as a trial. It received a positive response, and during the remaining school year, the Cooperative delivered leafy greens to Jackson County schools, as requested (appendix 3).

Word-of-mouth advertising established the Cooperative as a reputable vendor and is opening doors of opportunity in other school districts. The Cooperative has decided to continue to concentrate on Gadsden and Jackson County schools as its primary customers. Its reputation has led to fruit and vegetable sales in Leon and Walton County schools as well. With future improvements in organization and equipment, the Cooperative plans to expand to meet the fresh produce needs of other local school districts as well as continuing to satisfy Gadsden and Jackson County School Districts.

Vending Experiences During the 1997/98 School Year

The Cooperative's mission emphasizes facilitating the flow of profit from the value-added business operation to and within the local community. The result of these efforts provided the participants with an increase in farm income over the 1997/98 school year.

The Cooperative's main product was cut, leafy greens. Extreme heat and dry conditions destroyed or stunted several plantings of the leafy greens during the summer. These difficulties decreased the amount of leafy greens available in early fall 1997 (table 2). As the weather became more suitable for leafy green production, quantities increased. A steady supply of leafy greens allowed the Cooperative to provide deliveries of larger quantities and also to develop a regular schedule in the spring (table 3).

The Cooperative was intent on expanding the number of produce items available to local schools. This would increase the flow of profit to the small farmers and community as well as expand future market opportunities. Participants planted watermelons in the summer of 1997, and the Cooperative sold them to the Gadsden County School District for school breakfasts and desserts for lunches.

The Cooperative wanted to further expand its offerings with fresh, ripe strawberries (table 4). The timing of the strawberry harvest worked to the advantage of the Cooperative because it complemented the end of the leafy green season.

The Cooperative made significant progress in the 1997/98 school year as it initiated its organization, business practices, equipment purchases, and market development. In addition, it established a commendable sales record.

Table 2. Delivery schedule for leafy greens in fall 1997

Commodity	Amount (lbs.)	Date planted	Date harvested	Date delivered
Turnip greens	385	9/1	9/21	9/24
Turnip greens	150	9/1	11/09	11/12
Turnip greens	1,945	9/1	11/14	11/17
Turnip greens	631	9/1	12/05	12/05

Table 3. Delivery schedule for leafy greens in spring 1998

Commodity	Amount (lbs.)	Date planted	Date harvested	Date delivered
Collards	1,527	11/10	1/17	1/21
Collards	1,352	11/10	2/28	3/03
Collards	1,527	11/10	3/09	3/12
Collards	1,256	11/10	3/19	3/21

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Table 4. Delivery schedule for fruit over 1997/98 school year				
Commodity	**Amount (flats)**	**Date planted**	**Date harvested**	**Date delivered**
Watermelon	100 (#)	6/1/97	9/27/97	9/29/97
Strawberries	50	10/1/97	4/12/98	4/13/98
Strawberries	64	10/1/97	4/26/98	4/27/98
Strawberries	15	10/1/97	5/3/98	5/4/98
Strawberries	50	10/1/97	5/3/98	5/4/98

Vending Experiences During the 1998/99 School Year

With the learning experiences of the 1997/98 school year behind it, the Cooperative went into the 1998/99 school year with a positive attitude. It had an established market, good customer relations, and the necessary equipment in place, allowing it to focus on the daily operations of production, processing, and delivery.

Leafy greens sold to the schools (tables 5 and 6) show two important characteristics. First, deliveries were made at regular intervals, meeting the needs of the customer's cyclical menus and encouraging the regular incorporation of leafy greens into school lunches. The second important aspect is the large amounts of greens delivered, which translated directly into increased revenue for the Cooperative and its participants. The smaller deliveries, intermingled with the regular, large deliveries in April and May 1999, represent sales to an additional school district. The Cooperative also marketed fruit grown by individual participants to the local schools (table 7). Blackberries were used in pies and cobblers in the school lunches. Muscadine grapes and strawberries were served as desserts and additions to the salad bar.

The impressive sales record of the 1998/99 school year strengthened customer confidence. The Cooperative demonstrated its ability to deliver regular shipments and increase volume without sacrificing quality or service. The delivery record also inspired Cooperative participants as they gained increased profits. They are realizing the potential of this marketing opportunity, increasing their income, and benefitting from their participation in the Cooperative.

Table 5. Delivery schedule for leafy greens in fall 1998				
Commodity	**Amount (lbs.)**	**Date planted**	**Date harvested**	**Date delivered**
Leafy greens	1,320	5/98	8/9	8/11
Leafy greens	1,320	5/98	9/14	9/15
Leafy greens	1,320	5/98	9/28	9/30
Leafy greens	1,320	5/98	10/5	10/6
Leafy greens	1,320	5/98	10/12	10/13
Leafy greens	1,320	5/98	10/25	10/26
Leafy greens	1,320	5/98	11/15	11/16
Leafy greens	1,320	5/98	12/14	12/15

Table 6. Delivery schedule for leafy greens in spring 1999				
Commodity	**Amount (lbs.)**	**Date planted**	**Date harvested**	**Date delivered**
Leafy greens	1,320	5/98	1/5	1/6
Leafy greens	1,320	10/98	1/27	1/29
Cole slaw	500	10/98	2/10	2/11
Leafy greens	1,320	10/98	2/4	2/2
Leafy greens	1,320	10/98	2/27	3/1
Leafy greens	1,320	10/98	3/8	3/10
Leafy greens	120	10/98	3/16	3/17
Leafy greens	1,041	10/98	4/7	4/8
Leafy greens	332	10/98	4/10	4/12
Leafy greens	1,320	10/98	4/13	4/15
Leafy greens	1,320	10/98	4/16	4/19
Leafy greens	314	10/98	4/16	4/20
Leafy greens	201	10/98	4/25	4/27
Leafy greens	201	10/98	4/30	5/3
Leafy greens	1,320	10/98	5/14	5/17
Leafy greens	201	10/98	5/11	5/12

Table 7. Delivery schedule for fruit over 1998/99 school year				
Commodity	**Amount (lbs.)**	**Date planted**	**Date harvested**	**Date delivered**
Blackberries	700	Perennial	8/3/98	8/4/98
Muscadine grapes	1,300	Perennial	9/9/98	9/10/98
Muscadine grapes	1,300	Perennial	9/16/98	9/17/98
Muscadine grapes	1,300	Perennial	9/23/98	9/24/98
Strawberries	144 gal.	10/98	4/14/99	4/15/99
Strawberries	144 gal.	10/98	4/18/99	4/19/99

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Strawberry Trial- 1998

The Cooperative provided leafy greens to local schools throughout the school year and expanded its produce line with strawberries. Using black plastic mulch and drip tape irrigation, an acre of strawberries was planted on land leased by the Cooperative. Thirteen hundred pounds of strawberries were harvested over a period of several weeks in April and May. Three hundred pounds were sold to Gadsden, Leon, and Walton County schools. Participants used 1,000 pounds for their own consumption because they were not of salable quality. The berries were overly ripe, which was perfect for immediate use, but they could not be held for any length of time in the schools.

This trial was the first time many of the participants had grown strawberries. The Cooperative learned the importance of a sound irrigation schedule in producing a good crop of strawberries. Weeds presented a problem, which will be addressed through aggressive weed control measures focusing particularly on nut grass (a regional problem). The strawberry crop suffered from cold damage in early March. The Cooperative was not prepared to deal with the sudden below-freezing temperatures, and, as a result, many blossoms and immature fruit were damaged. The Cooperative plans to install a basic frost protection system, either crop cover or misting irrigation. The management team is currently investigating the options, initial investment, and the potential return on these two systems. Wind also caused damage and compounded the cold damage. To better protect the blossoms and fruit, the Cooperative will plant rye grass between the rows of strawberries to act as a windbreak for next season's crop.

Profits from the strawberry trial were minimal. The Cooperative sold its strawberries at a low price to be competitive with industry prices. These prices, however, were not enough to cover expenditures, labor costs, and provide a reasonable profit. The profitability of the strawberry crop was also hurt by the lack of salable product.

In the process, the Cooperative learned a great deal about berry production and handling. This knowledge will be used to make the Cooperative more profitable by expanding its product line and providing its customers with more purchase options. This product diversification also will make the Cooperative a more attractive vendor to many school districts.

Cost Effectiveness

The Cooperative has entered a small, niche market providing agricultural products to local schools. At this time, there is little competition in this market. This is especially true with the fresh, washed, chopped, bagged, and delivered leafy greens.

The Cooperative decided upon a selling price that would be fair to its customers and, at the same time, provide a reasonable profit. The management team considered the costs of production, postharvest handling, and delivery. An accurate estimate was made, and the management team decided on a reasonable profit level. The price that the Cooperative presented was acceptable to its customers.

The strawberry market is particularly competitive in Florida. Unlike the price setting possible with value-added, leafy greens, selling strawberries did not allow the Cooperative to set its price. To be competitive, the management team had to monitor the weekly and daily selling prices for strawberries and set its prices accordingly. The Cooperative did not make as much money on the strawberry trial as many participants had hoped. They plan to grow strawberries again, but with increased profitability. The management team has taken the past year's market prices and worked

backward to determine areas of production and postharvest handling that can be improved. The management team is hopeful that these improvements will enable the Cooperative to provide strawberries at market prices and increase its profit margin.

Student Acceptance

Taste, texture, and aroma are very important when selling food. These qualities are especially critical when providing food to children. Foods do not improve in taste, texture, or aroma after canning, freezing, or processing. Fresh fruit and

Figure 8. Children and teachers enjoy a healthful lunch, which includes fresh, leafy greens from the Cooperative.

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vegetables are at their peak quality and are the most appealing. The taste of fresh, leafy greens produced by the Cooperative was well received by the children of Gadsden County School District. In fact, the children preferred the fresh, leafy greens to their processed alternatives. The strawberries provided by the Cooperative passed the taste test with flying colors, as evidenced by the children's enthusiastic patronage of the salad bar and the popularity of the strawberry desserts.

According to J'Amy Petersen, food service director of the Gadsden County School District, increases in student participation in the School Lunch Program have been attributed to the high-quality, fresh fruit and vegetables. Faculty, staff, and school district maintenance personnel have also increased their use of the school cafeteria during this time.

Administrative Acceptance

The Gadsden County School District Food Service is the main customer for the Cooperative. There are approximately 8,700 students throughout 15 schools in the county. Gadsden County serves an average of 6,700 lunches and 3,500 breakfasts daily. In addition to the School Lunch and Breakfast Programs, Gadsden County participates in the Child and Adult Care Feeding Program and the After-School Snack Program. During the summer, the school food service provides meals for several 4-H and Bible school camps.

The Gadsden County School District Food Service considers itself a "learning laboratory," interested in testing new varieties and items that will provide children additional food choices. School meals must meet established Federal nutritional requirements, but the specific foods and how they are prepared are up to the local food service. The produce sold by the Cooperative has been important in guiding the school feeding program toward promoting better eating habits among children in accordance with USDA Dietary Guidelines for Americans.

A big factor in the administrative acceptance of the Cooperative's products by the Gadsden County schools is the enthusiastic reaction from children to the fresh fruits and vegetables.

The economic benefit of buying produce from the Cooperative also affects administrative acceptance of the Cooperative. The Cooperative provided the Gadsden County schools an opportunity to purchase high-quality, fresh produce items at a lower cost than that charged by larger produce vendors. This competitive edge for local small farmers was realized even before participation in DOD's DVD program. The DVD program's purchase of fresh produce for schools makes the business arrangement even more attractive. The opportunity to buy fresh, healthful fruit and vegetables locally was a real benefit, both to the Gadsden County School District Food Service and the Cooperative.

Administrative acceptance of the Cooperative was also influenced by the good working relationship developed with food service directors and managers. Many of the Cooperative's attributes and business practices, including professionalism, courtesy, purpose, seriousness, accountability, and commitment, contributed substantially to the administrative acceptance.

Deliveries

The Cooperative takes responsibility for the transportation and delivery of the fresh, leafy greens to the schools in Gadsden County and other school districts. Some school district food services have preparation kitchens at each school. Other school districts prepare meals at one or more central kitchens and then distribute the food to the individual schools. From a logistics standpoint, delivering produce to central kitchens is

much easier. Because the Cooperative has adopted a "How can we help you?" attitude toward meeting its customers' needs, it delivers product to schools as part of its overall service to food service directors.

Reliable transportation was needed for the Cooperative to start and stay in business. They invested in a used, single-axle, refrigerated trailer that can hold over 2,000 pounds of leafy greens. A Cooperative participant drives his own truck, pulling the trailer, for deliveries.

Gadsden County encompasses 518 square miles, and deliveries to every school in the county require substantial effort. Over time, regular deliveries have resulted in good business and interpersonal relationships between the Cooperative and the school cafeteria managers. Table 8 (appendix 4) shows a typical delivery schedule for Gadsden County. The Cooperative makes every effort to deliver early in the morning for the convenience of cafeteria managers and workers.

Receiving payment for the Cooperative's products involves working closely with food service personnel and DOD. A three-copy invoice register is used to record the type, amount, and price of the products delivered to each school. DOD uses the Electronic Invoicing System (ELVIS) for payment to the Cooperative. The ELVIS form contains the same information as the register. The ELVIS form and a copy of the signed register are sent to DOD in Jacksonville to be processed and then sent on to Columbus, OH, for payment. The process usually takes 30-60 days. The Cooperative adheres to a strict financial plan to ensure an adequate cash flow between pickup, delivery, and payment.

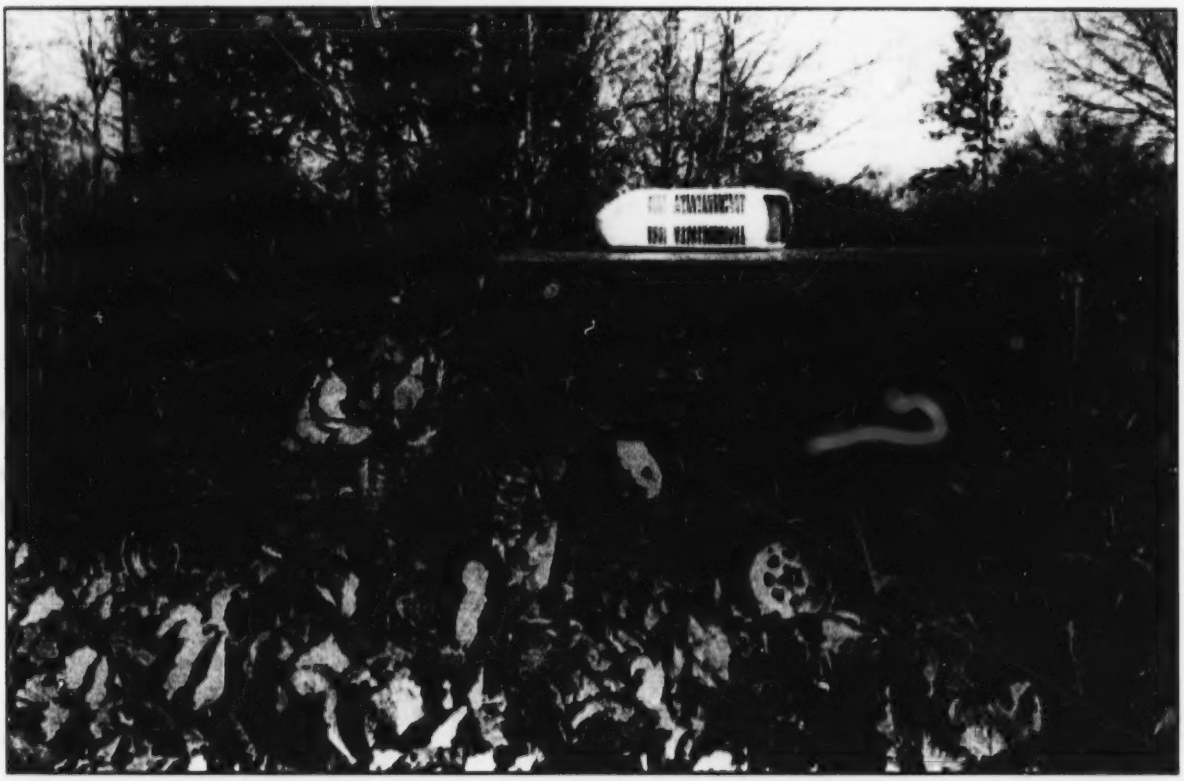
A typical delivery begins with the participant entering the school kitchen and meeting the cafeteria manager. The participant is dressed in a shirt that has the "New North Florida Cooperative" printed over one pocket and the name of the person over the other. The leafy greens are brought in and stacked neatly in cold storage. The Cooperative demonstrates courtesy, provides convenience, and protects the high quality of its products by taking this extra step. The cafeteria manager then signs the invoice and keeps one receipt for the school district payment procedure. The Cooperative keeps one copy for its records. The importance of interpersonal relationships between the Cooperative management and the cafeteria managers and the opportunity for feedback as deliveries are made cannot be overemphasized. The Cooperative gets immediate reaction to its produce as deliveries are made and is able to plan accordingly.

The People of the New North Florida Cooperative

This pilot project deals with many aspects of agriculture and marketing, including development of a cooperative, helping small farmers, dealing with value-added products, offering technical assistance, providing benefits to minority farmers, promoting interagency cooperation, and market development. Each of these vital aspects of the pilot project was integral to the success of the New North Florida Cooperative, but underlying these elements are the small farmers who make up the Cooperative. They are now able to improve their quality of life and create opportunities for a better future. They receive a fair price for their produce, sell larger quantities than before, and have their produce marketed by a reputable cooperative. These benefits allow the farmers to concentrate on what they do best, growing crops. It enables them to save time and earn money.

There are currently 13 farmer members from the local farming community with varying backgrounds and experiences in the Cooperative.

Figure 9. Spencer Lewis and his family are participants in the Cooperative.



Spencer Lewis operates a 30-acre farm in Jefferson County with his wife and young son. Lewis, who farms full time, says, "Working together with the Cooperative has allowed me to reduce my acreage. I grow 54 rows of leafy greens on 1 acre, and make more money using less land."

Willie Morgan operates a 30-acre farm in Gadsden County. He is also employed off the farm with the prison system.

Richard Conrad and his wife Myra own a farm of approximately 20 acres in Malone, FL, and farm 2 acres of fruit and vegetables. Mr. Conrad works off the farm at the local paper mill, and Mrs. Conrad is a part-time beautician.

Martha Hasty, along with her husband Wally, farms 10 acres in Jackson County. She is also employed off the farm with the U.S. Postal Service.

Danny Sylvester is a Jackson County business owner and farms at the Cooperative's central site.

Minnie Hall is a retired public service worker who farms and assists in value-added processes at the Cooperative's central site.

Elease Varner is a retired school teacher who farms part time and assists in the value-added processes at the Cooperative's central site.

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Portia Holmes is a nurse part time. She farms part time and participates in the value-added processes at the Cooperative's central site.

Jimmy Williams and his wife Patricia are small business owners and operators. They farm at the Cooperative's central site.

Rev. Walter Franklin, a Jackson County minister, farms on the Cooperative central site.

Shepherd Myrick works off farm for the State Department of Forestry in Jackson County. He farms on the Cooperative central site.

Jay Hall and his wife Dawana farm on the Cooperative central site. He is in the military, while she provides legal counsel to the Cooperative.

The Cooperative has enabled them to combine their energies and limited resources to seize valuable business opportunities. This experience has improved their individual farming operations and their potential for economic gain.

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Appendix 1

Gadsden County School Food Service Menus

Breakfast	Lunch
Monday, Oct. 26, 1998	
Apple Juice French Toast with Syrup Ham Pattie Choice of milk	Fish Fillet on Bun with Tartar Sauce Macaroni Cheese Green Peas Hush Puppies Orange Slices Choice of Milk
Tuesday, Oct. 27, 1998	
Fruit Juice Chicken Biscuit Choice of Milk	Spaghetti Tossed Salad with Dressing Hot Garlic Bread Peach or Pear Slices Cookie or Bar Choice of Milk
Wednesday, Oct. 28, 1998	
1/2 Banana Assorted Cereals Graham Crackers Choice of Milk	Sliced Turkey with Gravy Steamed Rice Seasoned Greens Hot Cornbread Frozen Fruit Juice Bar Choice of Milk
Thursday, Oct. 29, 1998	
School's Choice	Chili Cinnamon Bun with Raisins Carrot and Celery Stocks Mixed Fruit Cup Choice of Milk
Friday, Oct. 30, 1998	
Happy Halloween! Orange Juice Pancake with Syrup Sausage Pattie Choice of Milk	Chicken Filet on Bun with Condiments Lettuce and Tomato French Fries Halloween Cake and 3 oz. Ice Cream Cup Choice of Milk

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Appendix 2

Department of Defense Order for Supplies or Services Form

ORDER FOR SUPPLIES OR SERVICES

Form Approved OMB No. 0704-0... Expires Aug 31, 199...

PAGE 1 OF ...

1. CONTRACT/ PURCHASE ORDER NO: SP0310-98-A-E072 | 2. DELIVERY ORDER NO | 3. DATE OF ORDER: 26 AUG 97 | 4. REQUISITION/PURCHASE REQUEST NO

5. ISSUED BY: DIRECTORATE OF SUBSISTENCE, CONTRACTING AND PRODUCTION DIVISION, DPSC, 1000 SOUTH 20TH STREET, PHILADELPHIA, PA 19145-5099, ATTN: JESSICA PETICOLO /KPFFBC, TEL: A/C: 426-... | CODE: SP0300

6. ADMINISTERED BY (If other than 5): 350 JACKSONVILLE, C & ASSOCIATES, 4121 DILLON STREET, JACKSONVILLE, FL 32254 | CODE: SCD0J

7. CONTRACTOR | CODE: 01BDJ | FACILITY CODE

NAME AND ADDRESS: NEW NORTH FLORIDA CO-OP, PO BOX 5744, 3806 UNION ROAD, MARIANNA, FL 32447-0000

8. DELIVERY TO FOB POINT BY (Date): SEE SCHEDULE

9. DISCOUNT TERMS

10. MAIL INVOICES TO: SEE BLOCK NO. 15

11. SHIP TO: AS INDICATED WHEN INDIVIDUAL CALLS ARE PLACED | CODE

12. PAYMENT WILL BE MADE BY: DFAS-COLUMBUS CENTER, ATTN: DFAS-CO-SES, P.O. BOX 182317, COLUMBUS, OH 43218-6260 | CODE: S3J150

MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER

13. TYPE OF ORDER: DELIVERY — This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.

PURCHASE — Reference your ... Furnish the following on terms specified herein.

ACCEPTANCE: THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR | SIGNATURE | TYPED NAME AND TITLE

If this box is marked, supplier must sign Acceptance and return the following number of copies:

14. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE

15. ITEM NO	16. SCHEDULE OF SUPPLIES/SERVICES	17. QUANTITY ORDERED/ ACCEPTED	18. UNIT	19. UNIT PRICE	20. AMOUNT
	SEE SCHEDULE				

*If quantity received by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity received below quantity ordered and encircle.

21. QUANTITY IN COLUMN 20 HAS BEEN: INSPECTED / RECEIVED / ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

22. UNITED STATES OF AMERICA — BY: Signed JOANNE M. BONESS — CONTRACTING/ORDERING OFFICER — CONTRACTING OFFICER

23. TOTAL

24. PARTIAL / FINAL

25. PAID BY

26. AMOUNT VERIFIED CORRECT FOR

27. SHIP NO

28. D.O. VOUCHER NO

29. INITIALS

30. PARTIAL / FINAL / COMPLETE

31. PAYMENT

32. CHECK NUMBER

DATE | SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

I certify this account is correct and proper for payment.

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JACKSON COUNTY SCHOOL DISTRICT

Bruce the Moose
LUNCH
Giveaway Days:

April 13
April 23

April

Mon	Tue	Wed	Thu	Fri
		Happy Easter!	1 Beef & Macaroni Chef Garden Salad Buttered Corn Seasoned Green Beans Sliced Peaches Milk - Variety	2 Ham & Cheese Sandwich Tuna & Noodles Carrot Sticks Potato Puffs Fruity Gelatin Cup Milk - Variety
5 Tacos Nachos Grande Spanish Rice Pinto Beans Fruit Cocktail Milk - Variety	6 Chef Garden Salad Turkey Pot Pie Broccoli Salad Glazed Carrots Deluxe Brownie Milk - Variety	7 Spaghetti w/ Meatsauce Ravioli Tossed Salad w/ Dressing Garlic Toast Fresh Fruit Tray Milk - Variety	8 Chili Dog Chicken Patty on a Bun Lettuce & Tomato Baked Beans Pineapple Tidbits Milk - Variety	9 Meatloaf Macaroni & Cheese w/ Ham Fresh Greens Cornbread Cinnamon Applesauce Milk - Variety
12 Barbecued Ham Steak Grilled Cheese Sandwich Glazed Carrots Seasoned Green Beans Dinner Roll Milk - Variety	13 Country Fried Steak Cheeseburger Fresh Greens Whipped Potatoes w/Gravy Peanut Butter Cake Milk - Variety	14 Deluxe Turkey Sub Pepperoni Pizza Mixed Vegetables Vegetable Dippers Orange Wedges Milk - Variety	15 Lasagna P B and J Sandwich Marinated Tomato Salad Buttered Corn Jello with Topping Milk - Variety	16 Hot Ham & Cheese on Bun Corn Dog Potato Puffs Cole Slaw Apple Wedges Milk - Variety
19 Sloppy Joe on a Bun Chicken Nuggets w/ Roll Seasoned Green Beans Baked Potato with Cheese Sliced Peaches Milk - Variety	20 Chicken & Noodles Pepperoni Pizza Tossed Salad w/ Dressing Carrot Sticks Orange Wedges Milk - Variety	21 Chef Garden Salad Spaghetti w/ Meatsauce Steamed Broccoli Dinner Roll Banana & Pineapple Milk - Variety	22 Steak Fingers Hamburger on a Bun Fresh Greens French Fries Deluxe Brownie Milk - Variety	23 Cheeseburger Pizza Ham & Cheese Hoagie Carrot Sticks Marinated Tomato Salad Jello with Topping Milk - Variety
26 Macaroni & Cheese w/ Ham Corn Dog Baked Beans Mixed Vegetables Apple Wedges Milk - Variety	27 Hot Dog on a Bun Grilled Patty Melt Potato Puffs Vegetable Dippers Fruity Gelatin Cup Milk - Variety	28 Vegetarian Lasagna Chicken Nuggets Fresh Greens Cornbread Orange Wedges Milk - Variety	29 Ham w/Pineapple Sauce Chef Garden Salad Baked Sweet Potatoes Buttered Peas Blueberry Cobbler Milk - Variety	30 Chicken Patty on a Bun Tuna Garden Salad Steamed Broccoli Cole Slaw Cinnamon Applesauce Milk - Variety

Lunch is only $1.50
or 40 cents reduced!

ARAMARK

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Appendix 4

Table 8. Delivery schedule for Gadsden County Schools on March 10, 1999				
School	**Cafeteria manager**	**Delivery time (A.M.)**	**Amount of leafy greens (lbs.)**	**Number of students served**
Havana H.S.	Alonza McBride	6:15	72	382
Havana M.S.	Bettye Brown	6:30	72	400
Havana E.S.	Shirley Candate	6:45	132	900
St. John E.S.	Mary Vickers	7:45	72	400
Shanks H.S.	Geraldine Jackson	8:00	100	1,100
George W. Monroe E.S.	Lillian Green	8:30	150	850
Carter Parramore M.S.	Doreen Rittman	8:45	none this time, but usually 90	850
Stewart St. E.S.	Paula Milton	9:00	140	800
Greensboro H. & M.S.	Emily Mahaffey	9:30		250
Greensboro E.S.	Loretha Rittman	9:45	90	550
Gretna E.S.	Mitchell Williams	10:00	60	430
Chattahoochee E.S.	Catherine Roberts	10:30	114	500
Chattahoochee	Regina Butler	10:45	60	150

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